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C O P Y
DD/S 68-5899

2 Dec 1968

MEMORANDUM FOR: Director of Communications

SUBJECT : Management of Stock

1. In our report of the survey of the Office of Communications we discussed certain aspects of overall management of the stock under the technical cognizance of your office. The report is silent on the question of procurement planning, although we inquired into this aspect of the problem. You may be interested to know that our findings support the view of the Office of Logistics that OC schedules its procurement on a more orderly basis than is customary throughout the Agency. Beyond this question, we also attempted to evaluate procurement in terms of estimated and demonstrated needs.

25X1A 2. As you know, OC considers various factors in determining stock levels for certain valuable items, both to ensure adequate supply and to avoid over-supply. However, in the course of visits overseas, we were told of instances of substantial purges of obsolete stock, suggesting the possibility of over-supply in the past. There were reports of similar disposal programs of communications stocks at [REDACTED]. Seeking a basis for a balanced understanding of the problem, we requested records of total disposals of communications stock, by quantity and value, over the preceding five years. Neither the Office of Logistics or MSB of OC's Engineering Staff has kept consolidated records on this, nor were such records readily available. As a result we were unable to develop a reliable basis for evaluating this aspect of management, and did not comment on it in the report. To have treated the question, without more complete information, might have distorted it.

3. It is our opinion that consolidated records of disposal of stocks might prove a very useful tool for planning procurement, and for management of stock inventories, by providing a basis for testing the planning. Although the point was not raised in the report, it is mentioned for your consideration and such action as you may consider appropriate.

/s/

Gordon M. Stewart
Inspector General

DD/S Distribution:

Orig - D/CO w/note: "We have sent a copy of this to D/L since there appear to be implications broader than OC."

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